

Message Text

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14

ACTION EB-05

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AMCONSUL HONG KONG

LIMITED OFFICIAL USE TAIPEI 6902

E.O. 11652: NA

TAGS: ETRN, TW

SUBJECT: KAOHSIUNG SHIPYARD

REF: TAIPEI 2918

HONG KONG PASS RAND EXIM BANK

USDOC ATTN MAJOR PROJECTS DIVISION

1. ON NOV 14 IN LONDON THE FORMAL AGREEMENT BETWEEN CHINA SHIPBUILDING CORP. (CSBC) AND GATX OSWEGO CORP. WAS SIGNED. CSBC WILL BUILD FOUR 450,000 DWT TANKERS FOR GATX, WHICH OWNS 25 PERCENT OF CSBC. THIS SHIPYARD, TO BE COMPLETED BY AUGUST 1976, WILL HAVE THE LARGEST DRYDOCK IN THE WORLD (3,000 FEET BY 300 FEET, ONLY 100 FEET SHORTER THAN ONE IN JAPAN).

2. EMBOFF CALLED ON DIRECTOR AND SENIOR V.P. CHI (CHAIRMAN AND PRESIDENT WERE IN LONDON) AND V.P. T.W. WU TO INQUIRE ABOUT STATUS OF DESIGN AND EQUIPMENT PROCUREMENT PLANS. THEY EXPLAINED THAT BECAUSE OF LONG TERM RELATIONSHIP OF SISTER CORPORATION, TAIWAN SHIPBUILDING CORP. LOCATED IN KEELUNG, WITH JAPANESE FIRM, ISHIKAWAJIMA-HARIMA (IHI), IHI WOULD PROVIDE ALL FOREIGN CONSULTING SERVICES FOR CSBC. ONLY EXCEPTION WOULD BE FOR CONSTRUCTION OF DRYDOCK FOR WHICH SEVEN

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FIRMS WERE PREQUALIFIED AND FOUR RESPONDED TO REQUEST

FOR SPECIFICATIONS. NONE OF THESE FOUR FIRMS IS US;
THEY ARE EUROPEAN AND JAPANESE (CSBC WOULD NOT PROVIDE
THEIR NAMES).

3. ASKED ABOUT EQUIPMENT PROCUREMENT, HSI SAID THAT
SINCE CSBC, UNLIKE TAIWAN SHIPBUILDING CORP, HAS
MAJORITY PRIVATE INVESTOR OWNERSHIP, IT DOES NOT HAVE TO
GO OUT FOR WORLDWIDE TENDERS. AS IN CASE DRYDOCK, THEY
PLAN TO PREQUALIFY A LIMITED NUMBER OF EQUIPMENT SUPPLIERS.
WHEN THEY SAID THEY WERE NOT AS FAMILIAR WITH US FIRMS
AS EUROPEAN AND JAPANESE ONES, EMBOFF OFFERED EVERY
ASSISTANCE IN LOCATING QUALIFIED AND COMPETITIVE SUPPLIERS.

4. CSBC REPS SAID THAT THERE ARE NO US FIRMS WHICH BUILD
350 TON OVERHEAD CRANES SO THESE TWO CRANES WILL GO TO
EITHER GERMAN OR JAPANESE FIRMS. HOWEVER, CSBC WILL
NEED 40 SMALLER CRANES (20-80 TON OVERHEAD TYPE),
BENDING PRESSES, WELDING MACHINES, CUTTING MACHINES,
HAND TOOLS AND LARGE TRAILERS TO CARRY SECTIONS.
TOTAL EQUIPMENT PURCHASES BUDGET AROUND US\$50 MILLION
DOLLARS.

5. CSBC PROMISED TO PROVIDE PRELIMINARY SPECIFICATIONS
ASAP (WITHIN SEVERAL WEEKS) WHICH WE WILL AIR POUCH
TO DOC. RECOMMEND ALL OUT EFFORT TO FIND MOST COMPETI-
TIVE US SUPPLIERS WHICH HAVE EQUIPMENT IN STOCK.

6. USDOC MAY WISH TO CONTACT GATX TO URGE THEM TO USE
THEIR INFLUENCE IN PROCUREMENT OF US EQUIPMENT.
GLEYSTEN

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